



The Canadian Wheat Board
La Commission canadienne du blé



August 24, 2006

Secretary Vernon Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

217417

Dear Secretary Williams:

RE: STB Ex Parte No. 661; Surface Transportation Board Request for Comments

The Canadian Wheat Board (CWB) is pleased the Surface Transportation Board (STB) rendered a positive decision from the recent public hearing on fuel surcharges collected by railroads. The CWB would like to take this opportunity to reply to the STB's request for public comment on the proposals put forth in Decision STB Ex Parte No. 661.

Enclosed are ten copies of our position regarding the STB's decision. We believe our opinions mirror the sentiments of shippers throughout North America, and hope our support proves beneficial in influencing railroad change.

Yours truly,

Patty Rosher
Acting Director, Rail Logistics & Inventory

Enclosure

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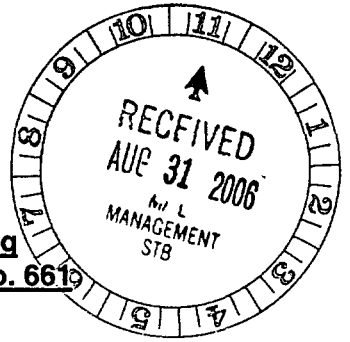
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**Canadian Wheat Board Public Comments Supporting
Surface Transportation Board Decision STB Ex Parte No. 661**

August 15, 2006

The Canadian Wheat Board (CWB) is a farmer-controlled marketing organization that sells wheat, durum and barley for approximately 85,000 producers in western Canada. Its purpose is to market this grain within Canada and around the world, achieving the best possible returns for farmers.

The CWB is one of the largest grain marketers in the world, with annual sales revenue of more than \$4 billion. Its status as the only seller of western Canadian wheat and barley positions the CWB to earn premium prices for farmers on annual sales of over 20 million tonnes of grain to more than 70 countries. The CWB has a proud reputation for high-quality products, reliable supply and delivery and unparalleled customer support.

On average, the CWB will ship in excess of 200,000 rail cars of grain annually to Canadian export ports, as well as, US and Mexico destinations, making the CWB one of the largest bulk rail customers in North America. Reliable and affordable rail transportation is crucial for western Canadian farmers to successfully market and transport all available crop.

Today, western Canadian grain elevators and producers are served primarily by two rail carriers: Canadian Pacific Railway (CP) and Canadian National Railway (CN). Competition between railways, however, is limited and therefore shipper protection through regulatory means is critical.

The CWB fully supports the four Surface Transportation Board (STB) proposals in Decision EP_661_0. Specifically, we agree with the STB's decision asking that the railways adopt a single, uniform fuel index; ensure fuel surcharges are reflective of actual fuel costs; avoid 'double-dipping' practices; and submit fuel cost reports to the STB on a monthly basis.

Prior to the STB public hearing on fuel surcharges collected railroads, the CWB had repeatedly challenged both CN and CP fuel surcharge policies, requesting changes to ensure that these policies were representative of the actual cost of fuel, and accurate and fair in application. We believe the STB decision sends a strong message that change is required in order to meet these two important goals.

While the CWB is primarily a Canadian shipper, we hope that the impact of the STB's decision will influence railway fuel surcharge application not only in the US, but north of the border as well. We trust that all future changes to fuel surcharge policy implemented by Class 1 railways will be consistent across all North American rail traffic, regardless of origin.